



## **BADEN-WÜRTTEMBERG AND THE UNITED STATES**

The ancestors of approximately eighteen million Americans come from the German southwest. Even today, the state's capital Stuttgart is home to two major U.S. commands: U.S. European Command (EUCOM) and US African Command (AFRICOM).

Baden-Württemberg (B-W) has had a long, successful and extremely close relationship with the U.S. and today the two have deep economic ties. On September 6, 1946, U.S. Secretary of State, James F. Byrnes, delivered the historic "Speech of Hope" in the Stuttgart Opera House, which paved the way for Germany to reenter the international community. In the first years after World War II, U.S. General Lucius Clay directed the U.S. occupation zone from his Stuttgart headquarters "Villa Reizenstein," which today serves as the chancellery of the Minister President.

### **I. Economic and Business Connections**

#### **A. Investment**

##### **U.S. Investment in B-W**

- There are about 450 companies in B-W with at a U.S. majority shareholder and 579 companies with at least 25% U.S. ownership. Together, these firms employ a total of approximately 140,000 people and have a combined annual turnover of 17.5 billion euros.
- Baden-Wuerttemberg is home to major U.S. corporations such as IBM and John Deere.
- After the Netherlands and Switzerland, the U.S. is the third largest investor in this part of Germany. In 2006, the total amount of U.S. FDI in B-W amounted to 5.4 billion euros.
- The five largest U.S. corporations in B-W in order are IBM Germany (Stuttgart) with 21,500 employees, Hewlett-Packard (Böblingen) with 8200 employees, Alcatel-Lucent (Stuttgart) with 5800 employees, John Deere (Mannheim) with 5600 employees and Agilent (Böblingen) with 1400 employees.

##### **B-W Investment in the U.S.**

- The U.S. is by far the most important market for direct investments. With FDI at 53.1 billion euros in 2006, almost 30% all German FDI in the U.S. comes from Baden-Württemberg. This makes the U.S. by far the number one investment site for B-W industry. (Please note: This figure does not yet reflect Daimler's separation from Chrysler which occurred in 2007).

- 736 companies from B-W have a presence in the U.S., including 634 representations, 412 subsidiaries, 206 production sites and 168 joint ventures.
- Companies from B-W employed approximately 207,000 employees in the U.S. and achieved an annual turnover of 164.5 billion Euros (this figure still includes Chrysler Corporation which was sold in 2007).
- Major Baden-Württemberg companies like Daimler, Robert Bosch, Trumpf and Stihl have established subsidiaries and productions sites in the U.S.
- The largest B-W companies in the U.S. are Daimler AG with over 24,000 employees, Robert Bosch with 17,000 employees, SAP with 7,000 employees, ZF Friedrichshafen (automotive supplier) with 4000 employees and Behr (automotive supplier) with over 3000 employees.

## **B. Trade**

### **U.S. Trade with Baden-Wuerttemberg**

- In 2007, the U.S. was the number one trading partner for B-W. Imports from the U.S. to B-W amounted to 11.4 billion euros in 2006. Products from the U.S. are dominated by chemical products, IT equipment and automotive parts.

### **Baden-Wuerttemberg Trade with the U.S.**

- In 2007, B-W's exports to the U.S. amounted to 15.1 billion euros. 38% of all exported goods from B-W to the U.S. came from the automotive sector. As an example, Porsche sells more than half of its annual production in the U.S. In 2007, Mercedes established an all-time sales record with 253,433 car sales in the U.S.

## **II. People-to-People Connections**

### **A. Tourism from the U.S**

- In 2007, over 618,000 U.S. tourists visited B-W. This makes the Americans the third largest group of foreigners to visit the area after the Swiss and the Dutch.

### **B. Resident Citizens and Emigrants**

- At the end of 2007, 15,513 U.S. citizens were living in Baden-Württemberg, excluding U.S. Military Personnel.

## **III. Research & Technology Connections**

### **A. Universities and Technical Colleges**

- The Technical University of Stuttgart signed a cooperation agreement with the Ohio State University in Columbus, which includes an exchange of scientists and students

as well as joint research projects. In addition, the research institute FKFS (FKFS – Forschungsinstitut für Kraftfahrwesen und Fahrzeugmotoren Stuttgart) of the Stuttgart University and the Center for Automotive Research (CAR) of the Ohio State University signed a cooperation agreement to intensify research concerning global challenges to the automotive sector.

- The Interactive Systems Laboratories of the Technical University of Karlsruhe and the Carnegie Mellon University in Pittsburgh established a cooperation agreement in 1991, and it has since grown into a joint center, the International Center for Advanced Communication Technologies (InterACT). InterAct's mission is to carry out scientific research on Advanced Communication Technologies and to promote and facilitate education in an international, cross-cultural setting. The center operates with the mission to foster communication between humans, computers, and cultures worldwide by researching and creating revolutionary technology.

## **B. Research Institutes**

- In 2008, the Fraunhofer Institute for Solar Energy Systems ISE and MIT agreed to establish a research center for renewable energy in the immediate vicinity of the MIT campus.

# **IV. Educational & Cultural Exchanges**

## **A. Academic**

- The state of Baden-Württemberg maintains exchange agreements with five U.S. states and state university systems (California, Massachusetts, North Carolina, Oregon and Connecticut). The Baden-Württemberg Exchange Programs originated from a legislative partnership formed between the State of Connecticut and Baden-Württemberg in 1989. The agreement invited all students enrolled in four-year colleges and universities in Connecticut to study at any institution of higher learning in Baden-Württemberg. With nine universities from which to choose, students of all disciplines can be accommodated.
- The exchange agreements offer tuition-free places in the U.S. to 760 students from Baden-Württemberg universities. An additional 200 students go to the U.S. tuition-free through bilateral agreements between universities. Of the 3,200 U.S. students in Germany, nearly 800 attend a Baden-Württemberg university. Thirty cities in B-W maintain sister city relationships with U.S. communities.
- Of the nine German-American Institutes, four of them are located in Baden-Württemberg: The James F. Byrnes Center in Stuttgart, the Carl-Schurz-Haus in Freiburg, the GAI in Tübingen and the GAI in Heidelberg.
- The University of Tübingen has over 50 cooperation agreements with U.S. universities sending more than 150 students per year to the U.S., while the universities of Heidelberg and Freiburg each sponsor around 50 students a year to study or intern in the U.S. In Mannheim, Mannheim University has 18 cooperation agreements, while Mannheim University of Applied Sciences sends around 50 students every year to the U.S. The University of Heidelberg has Germany's most renowned American Studies program.

## **B. Foundations**

- Founded in 2003, the Heidelberg Center for American Studies (HCA) is a central research and teaching institution of the Ruprecht-Karls-Universität Heidelberg, Germany's oldest university. The HCA's purpose is to provide and impart knowledge on U.S. politics, culture, economics and society. The center also facilitates a dialogue between academia and the public and contributes to the creation and strengthening of transatlantic relationships.

## **C. Partnerships**

- In 1989, a legislative partnership was formed between the State of Connecticut and Baden-Württemberg. The B-W Exchange Program of today originated out of this legislative partnership.
- There are thirty sister city partnerships between cities in B-W and the U.S including Stuttgart and St. Louis, Tübingen and Ann Arbor, Freiburg and Madison, and Walldorf and Astoria.

## **V. U.S. Military and Government Presence**

- B-W is home of two major U.S. commands: USEUCOM and the recently established AFRICOM, both located in Stuttgart. U.S. Army Europe (USAREUR) is located in Heidelberg but will soon relocate to Wiesbaden in Hesse. The estimated economic impact of the U.S. Military on the local economy in B-W for 2007 is \$828,644,838.

*U.S. Consulate General Frankfurt. November 2008.*